68 ✓

G. R. S. IX-5]

Previous references. 1897

~~191~~ .

(~~Agl~~ Banking)

Later references.

File No. 9-1897

Serial Nos. 1-4

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-4

Part B for

SUBJECT.

Agricultural bank at Sakrepatna.

Indexed. 48

W D 88—GPB—50,000—21-7-16

Office of the Government of H. H. the Maharaja of Mysore. General and Revenue Secretariat.

File No. (if any)

Directions.

No., date and purport of receipts to be entered in red, and office note in black ink in order of dates.—To be written inside the line of margin.

Enclosure to Karar
by. Comp's No. 400 07
dt 8-2-04.

Vide table appended
to para 11 of the Report.

Office Note.

Revenue
~~Plague~~ Branch.

Subject :—

Report on the inspection of the Agricultural Bank at Sahukarpatna, made by the P.Q. D'Souza Assistant Commissioner, on 15-12-03

The above report relates to the working of the Bank from 9-8-03 to 15-12-03 during this period of nearly 4 months, the Bank has done no more business than receiving loans and interest from members to the extent of Rs 77-10-11 and paying its Establishment &c. Charges to the extent of Rs 39-9-0 and a small loan of Rs 5-11-5.

2. The table in para 11 of the report contains particulars of Cash transactions of only the above 4 months. By themselves they fail to give a proper idea of the working of the ~~working capital~~ Bank as a whole. Hence arises the necessity of adding to the figures of receipts and disbursements given in this table with those in the previous reports. Such gross results of the Cash transactions of the Bank from its Commencement to this date

the financial position are as below.

Receipts	Rs.	a.	p.	Disbursements	Rs.	a.	p.
Amount drawn from the Treasury	20,000			Loans repaid to Govt.	6070		
Deposits (from members)	1799	11	1	Deposits repaid	1248		
Loans repaid by members	3571	6	5	Loans granted to members.	18205	11	5
Interest & Penalty	3850	7	4	Interest paid to Govt.	2890	9	
From Miscellaneous sources	65	11	6	Establishment & Contingent Charges	770	6	
					29184	12	
				Balance on hand as 15-12-03 (Verified by Inspection)	102	8	
Total	29287	4	4	Total	29287	4	

Para 7 of the report from the Insp. of Co-op. Banks dated 18.2.00 (forming enclosure Sl. No 3)

3. The members had obtained fr the Bank larger loans than were a tually necessary and had deposi with a portion of such loans addi posits amounting to Rs 1655. Out of this amount, Rs 967 were withdrawn by a few of them, leaving a net amount Rs 668 at the end of February '00. As was pointed out in G.O. No. 7307-8 R-7-687 × dt 11.4.00 that the members should endeavour to lay by as deposits, their own savings instead of the money they had obtained from the Bank. No marked improvement was shown since. The Bank was only able to le ence up to end of June '02 further dep of Rs 144-11-1, only while it repaid Rs during the interim. The net deposit

× Sl. No 4.

at end of June'02 thus came down
to Rs 673-11-1 which was further reduced
to Rs 551-11-1 consequent on the with-
drawal of Rs 13 and Rs 9 in the months of
August'02 and May'03. Since then there
has been neither increase nor decrease.

4. It was fixed in the year 1900-1
that this Bank should repay the Govt.
loan of Rs 20,000 in 12 annual instal-
ments of Rs 1666-10-8 each, commencing
from 1898-99. By the year 1900-01, this
Bank had placed Rs 3284-8-0 in the
Kadur District Treasury as being the amt.
of repayment of loans by members, and
left Rs 950 undrawn out of the loan
sanctioned. These two sums amounting
to Rs 4234-8-0 were adjusted towards
Rs 5000, the amount of 3 instalments
that fell due up to end of 1900-01, and
the balance of Rs 765-8-0 was paid
in 1901-02. In that year, this Bank
represented that owing to the decrease
in use of the Arjunkere Tank, it was un-
able to keep up to the original terms of
repayment and prayed for the time
being extended by 22 years more. In
granting this extension, the Government

Govt. No. No R 3265-7
R-7-68-9758
of 18-2-03 (Sl. 208)

ordered in February '03 that Rs 750 & Rs 1000 be recovered for the years 1901-02 and 1902-03 as the amounts of the 4th and 5th instalments, instead of at Rs 666-10-8 originally fixed. Towards these two instalments which as per revised terms amounted to Rs 1750, the Bank paid Rs 222-8-0 in 1901-02 and Rs 847-8-0 in 1902-03 or a total of Rs ~~1830-8-0~~ 1070-0-0, leaving Rs 680 unpaid. When the Bank was inspected in August 1903, the Inspecting Officer found that it was unable to pay the instalments due to Govt. by end of each official year, the time of recovery of loans from its members being at the end of each calendar year. It was open for the Bank then, to have made needful representation through the proper channel and obtained orders of Government. But that was not done, nor was the balance of instalment that fell due in June '03, viz. Rs 680 paid even by the end of 15th December '03. A promise was then made before the Inspecting Officer by the Bank authorities that the amount would be paid up by the end of that month. Whether this promise has been acted up to or not, is not known.

Vide Encl. to Sl. No 11 - Para.

5. The Bank was in arrears in respect

2

of interest too, to the extent of Rs due
as the end of June 1903. and Rs paid
paid towards this sum of principal
and of Rs to December 03. Against
fixed 30th June & 31st Dec as the last days of payment stated
Vide f.o. No 3936-44 / H.386 of 2-12-98 (Marked C).
× Marked A (Below).
it has been stated in 4143-4
No. R. 1639-488 of 1-10-01 that the
Agricultural Bank showed dis-
-g understanding that the failure of
its part to pay the interest due to
Govt. punctually is not excusable
under any circumstances. The Bank
should have towards the aforesaid
arrears, remitted into the Treasury,
at least Rs 102-8-4, the amount of
Cash balance that was in hand
on the date of inspection, by 15-12-03
Instead of doing so, it put off the
payment probably the arrears, pro-
mising to pay it by the end of De-
cember 03. Besides the said arrears
of Rs 155-14-3, the Bank was to have
paid Rs 298 odd as interest for the half
year ending December 03. What the
actual payments since have been,
are not known.

6. The cause of these arrears is the

non-payment by the members of the principal and interest due to the Bank. The arrears of principal and interest outstanding against them at the end of June '03 amounted respectively to Rs 2351-8-7 and Rs 416-3-4 Out of these, only Rs 47-12-0 on account of principal and Rs 29-14-11 on account of interest were recovered upto the date of the present inspection viz 15-12-03, leaving Rs 2303-9-7 of the former and Rs 381-4-5 of the latter unrecovered. If to these over-due sums are added the amount of instalment and interest due by the members at the end of December '03 which would compulsorily be Rs 1820 and 400 respectively, the arrears against them will be very heavy. A list showing the amount due and paid by and the balance outstanding against each member was promised to be submitted by the Inspecting officer by the end of December '03. This list not having been received, the Dy. Comptr. Kadur, called for it on 8-12-04. And it is not known yet whether it has been forwarded or not.

2311-3-4
2329-
381-4-5

Enc. to Lel No 11

Marked B (Just up)

7. The number of defaulters on 15-12-03 continued to be the same as on 9.8.03 as per list appended to the Report of that date, viz 18 only of members of the Bank. It is a question whether these defaulters are entitled to vote in any meeting under para 23 of the articles of Assn. and para any resolutions under para 15 of the Arts. and Sec. 77 of the Mysore Companies Regulation, 1915, generally for the management of the Bank and specially for the enforcement of the provisions of paras 33, 34, 35 & 46 of the Arts. of Assn., and whether such omissions do not indicate that the affairs of the Bank are in an unsatisfactory condition, thereby subjecting the loan granted by Govt. being recalled under para 35 of the Arts. of Assn.

8. Regarding the surplus, the Inspecting Officer states, "The only amount that the Bank has to its credit is the "Cash in hand of Rs 102-8-4 ---- and "it has no surplus". This statement does not seem to be correct as surplus

of the Bank up to the date of the latest inspection amounts to Rs 480-8-5, Rs 228-9-3 whereof being yet to be recovered and out of Rs 255-2-3 realised, Rs 15-2-9-11 have been invested on loans to members and Rs 102-8-4 kept in hand.

9. As regards supervision, the Inspecting Officer writes, "vide remarks in previous reports". In the previous inspection report of 8-8-03 it was mentioned, "there is nothing to add to what was stated in the last and previous reports". In the report preceding it, the Insp. Officer Mr. C. D. Ramaswamy, Asst. Commissioner had remarked that the auditing of the Bank's accounts by the members of the audit committee did not appear to be effective and satisfactory. The observation of Government respecting these remarks was that the defects should be pointed out. But how far this direction was attended to, is not explained.

10. It is reported that in the meeting of 28.10.03, the General Assembly of the Bank passed a resolution to the effect that receipt the member Varasimhyabe on payment of all the balance due by him to the Bank, absolved from all liabilities contracted by him either towards the Government or the Bank. This resolution was submitted to the Dy. Commissioner for sanction; and he expressed the opinion that there was no objection to the Bank receiving the balance due by said Varasimhya and releasing the property he had mortgaged to the Bank. In this connection, it is submitted that the Bank is not the competent authority to absolve a member from any liability he may have contracted with the creditors of the Company. Under Sec. 39 of the Arts. of Assn the liability of the members of a

to the creditors,

upon and accrual; and the
removal or resignation of a member
secures for his assets freedom,
under para 62 of the Arts. Govt.,
from all liability for loans obtained
by the Bank only subsequent to
the date of his removal or re-
signation. And so the liability
of said Narasimhya who is an
old member of the Bank owning
a property worth Rs 2500, towards
the Govt. loan of Rs 20000, should
~~cease~~ continue till the loan is paid
back to Govt. by the last pie.

Submitted note & draft.

2/4/04
Le

to the Dewan
through the 2nd Cr.
30/4/04

Received on 2.5.1904

Submitted by the Dewan Sahib
for approval of the draft order

BLR
2.5.1904

5766
1898 H 973

From
The Deputy Commissioner
Kadur District

To
The Secretary to Govt
General and Revenue Depts

Dated 5th February 98
Despatched 9th
Received
General No. 5-40
No.

Enclosure No. 2. ver file

Submitting for orders proposal for establishing an Agricultural Bank at Sakrepatna Kadur Taluk, for the benefit of certain land holders in that village.

Cfr
11/2/98

Refer with draft

Bhikmapalem
Dated 5th February 1898.

From

The Deputy Commissioner
Kadur District

To

The Secretary to Government
General and Revenue Depart.

Sir,

I have the honor to submit herewith for orders of Govt. copy of letter No 2/12 dated the 12th ultimo from the Inspector Agricultural Banks in Mysore forwarding the Vernacular correspondence between himself and the Amildar of the Kadur Taluk in connection with the propal for establishing an Agricultural Bank at Sakrepatna, Kadur Taluk, for the benefit of certain landholders in that village.

2. The fourteen members who have signed the Memorandum and Articles of Association propose to start the bank with a capital of Rs 25,000/- and are supported by

1898

3

From

The Inspector of Agricultural Banks in Mysore.

To

The Deputy Commissioner
Kadur District

Dated 12th January 1898

No. 214. Encl one file

Sir,

I have the honor to forward the file of Vernacular correspondence ending with the Kadur Taluk Amildar's Yadi No. 690 of 8th September '97 connected with the proposed Agricultural Bank at Sakrepatna, Kadur Taluk, and to state that 14 members who have subscribed themselves to the Memorandum and Articles of Association have proposed to establish a Bank at Sakrepatna for the benefit of that village alone.

2 The members own 56 acres and 38 guntas of Kandayam and ½ acres 3 guntas of Inam lands, the aggregate value thereof being estimated by the Panchayetdars and the Amildar at Rs 31,900/- with a liability of Rs 10,374/- of which Rs 3,765/- represent the debts secured by the Mortgage of the landed property.

3. They propose to start with a capital of Rs 25000/-, but the Amildar recommends Rs 20,000/- being advanced. I am of opinion that the amount of Rs 20,000/- may be recommended to be granted. The garden and wet lands of these members are all situated under the Ayenkere tank which, I am told, has never failed. I have also inspected these gardens and found them in good condition. These gardens contain arecanut and plantain trees with a belt of cocoanut trees all around in the hedges. Many other inhabitants of the village expressed their willingness to become members after I explained to them the principles on which these Agricultural

Agricultural Banks are based.

4 The members also pray that the limit of the loan to be granted to each member may be raised to Rs 2,250/- and that he may not be indebted to the bank at any time in a larger sum than Rs 2,500/- including the loans granted both to himself and to other members on his security. Loan may also be granted as the liability of a one exceeds Rs 1000/- and as they require funds for the improvement and maintenance of garden lands which I have inspected.

5 The statement of property and liability of the members is enclosed.

I have &c

'Sd' M Venkatiah Chetty

Inspector of Agl Banks

in Mysore

"Copy

Deputy Commissioner

Kadur District

- by the Panchayetdars to be solvent, their
landed properties consisting of garden
and wet lands, valued at Rs 31,900/- with
liabilities amounting in the aggregate
to Rs 10,374/-; but the Inspector of Agri
-cultural Banks and the Amildar of
Vadur recommend a loan of only
Rs 20,000/- and concurring with them,
I beg to recommend the loan of Rs 20,000/-
being sanctioned for the proposed Agri
-cultural Bank.

3. The Inspector of Agricultural
Banks further recommends that the
limit of the loan to be granted to a
member under any of the classes I, II,
and III be raised from Rs 1000/- to
Rs 2,250/- and that no member should
be indebted to the Bank at any time
in a larger sum than Rs 2,500/- including
loans granted both to a member as
well as to other members on his security.
This is in excess of the limits in-
-dicated in para 6 of Government Order
No. $\frac{5038-47}{R.\ 274}$ dated 2nd December 1905,

2nd

I submit the case for the decision of Government for reasons stated in the Inspector of Agricultural Banks' letter referred to above.

4. Copy of the statement of properties owned by the members and their liabilities, and the Vernacular file with memorandum and Articles of Association in duplicate, together with an extract from the Revenue Survey map of the Pakrepatna village, received with the Inspector of Agricultural Banks' letter, accompany for reference.

I beg to remain
Sir,
Your most obedient servant.

Deputy Commissioner
Kaira District

hml.

Statement showing the particulars of Property and L
— Bank at Sakrepatna, Kadur Taluk, Kadur Dt

Proposed name of the Bank and the names of villages to be benefitted by it.	Names of members.	Residence of members.
Sakrepatna Agricultural Bank. Sakrepatna.	1 Naga Bhatta.	Sakrepatna
	2 Shanboque Puttamiah	— Do —
	3 Pokail Mallesia.	— Do —
	4 Kaladapur Ramanna	— Do —
	5 Ghante Venkatasa Rao.	— Do —
	6 Rangama Bin Dyamerliah	— Do —
	7 Ramaswami Bhatta	— Do —
	8 Gurumanjaiah	— Do —
	9 Thodappa Setty.	— Do —
	10 Kempanna Bin Ramanaik	— Do —
	11 Thimmappa Bin Ramanaik	— Do —
	12 Narasimhaya Bin Kalappa	— Do —
	13 Revanna Setty	— Do —
	14 Venkataraiah.	— Do —
		Total —

(Office of the Inspector of Agricultural Banks in Mysore.
Dated, Shimoga, 12th January 1918.

a bi bidies of the members of the proposed Agricultural
rich.

Arable land possessed. Kandayam land. Area		Assessment			Inam land Area		Jodi or Quit rent			Probable value as estimated by the Panchayatdars and approved by the Amildar	If income be less how much for	Other debts	Remarks.
2	36	23	-	-	4	3	4	4	-	2,500	Nil	600.	
19	34	86	-	-	-	-	-	-	-	1,650	-do-	nil	
5	11	45	-	-	-	-	-	-	-	4,000	1,485	509.	
1	34	18	-	-	-	-	-	-	-	1,750	800	250	
2	19	25	-	-	-	-	-	-	-	2,500	nil	900	
2	19	25	-	-	-	-	-	-	-	2,500	-do-	670	
6	34	50	-	-	-	-	-	-	-	2,500	480	nil	
2	-	20	-	-	-	-	-	-	-	2,500	nil	900	
2	5	21	-	-	-	-	-	-	-	2,500	1,000	nil	
1	26	16	-	-	-	-	-	-	-	1,500	nil	600	
2	17	24	-	-	-	-	-	-	-	2,500	-do-	nil	
2	13	23	-	-	-	-	-	-	-	2,500	-do-	750	
1	7	11	8	-	-	-	-	-	-	1,250	-do-	430	
3	23	26	-	-	-	-	-	-	-	1,750	-do-	1,000	
56	38	413	8	-	4	3	4	4	-	31,700.	3,765	6,609.	6

'Copy'

'Signed' Dr. T. Venugopal Reddy
Inspector of Agriculture
Banks in Bangalore

Deputy Secretary to
Govt.
Madras Dobrich

(24)

Kad. 10.

Kad 9-97

Letter no 540 dy the 5th February 1898 from the Deputy Commissioner, Kadavi District

— ac —

Order thereon.

With the above letter, the Dy. Commr submits the memorandum & articles of association of an agricultural Bank proposed to be established at Sakrepatna, Kadavi Taluk.

2. The bank is proposed to be established by 14 members. The members own 56 acres and 38 guntas of Kandayam and 4 acres + 3 guntas of Inam lands, the aggregate value of which is estimated at Rs 31,000 with a liability of Rs 10374 ~~10,374~~, of which Rs 3765 represents the debts secured by the mortgage of the landed property.

3. The members propose to start the bank with a capital of Rs 25,000. but the Deputy

No 8219-22 dt 5/2/98.

R.F. 68-97-5

Sakrepatna Bank Memorandum

1-3-98

9582

Opened

2/3/98

Commissioner and the Inspector of Agricultural Banks, thinks that an advance from Government of Rs. 20,000 is sufficient.

4. Under these circumstances Government are pleased to sanction the grant of an advance of Rs. 20,000 being made for the agricultural Bank referred to above, and authorize the Dy: Comm.r to place the said amount for the purpose in the Taluk Treasury. Interest must be recovered from the Bank half yearly up to 30th June & 31st December of each year at 4 per cent per annum on the sums actually borrowed by the Bank.

5. The applicants propose to regulate the grant of loans by the bank, not according to the limit laid down in para 6 of Govt: Pro: No 5038.47 of the 2d December 1897 but according to a scale under which a loan of Rs.

7 1895

2250 is admissible under classes
I, II & III, with a proviso
that no member shall at
any time be indebted to
the Bank in a larger sum
than Rs 2,500 including loans
of all descriptions granted
to him/self and to other
members on his security.
As the Inspector in reporting
this proposal mentions that
the existing liabilities of some
of the members exceed Rs 1000
& that more funds are
required for the improve-
ment & maintenance
of the garden lands which
he has inspected, the Govt
are pleased to authorise
the grant of loans under
classes I II & III up to Rs
2250. as above

6. The memorandum
& articles of association
will be returned to the
Deputy Commissioner
with a request that he will

take steps to get the same duly registered. The Residency & encumbrances much also be discharged & the documents &c connected therewith taken back & properly secured.

Print C.
1/3/98

26/2/98
To
27/2/98 Secy

Re Dy: Comr, Kadina &c.
with articles of apprentice
in duplicate & other papers.

The Registrar, joint stock
Companies.

The Comptroller & Genl.

The Inspector, Agricultural
Banks.

READ :—

Letter No. 540, dated the 5th February 1898, from the Deputy Commissioner, Kadur district.

No. 8219-22—R. F. 68-97, DATED BANGALORE, 5TH MARCH 1898.

ORDER THEREON.—With the above letter, the Deputy Commissioner submits the Memorandum and Articles of Association of an Agricultural Bank proposed to be established at Sakrepatna, Kadur taluk.

2. The Bank is proposed to be established by 14 members. The members own 56 acres and 38 guntas of kandayam and 4 acres and 3 guntas of inam lands, the aggregate value of which is estimated at Rs. 31,900 with a liability of Rs. 10,374, of which Rs. 3,765 represent the debts secured by the mortgage of the landed property.

3. The members propose to start the Bank with a capital of Rs. 25,000, but the Deputy Commissioner and the Inspector of Agricultural Banks think that an advance from Government of Rs. 20,000 is sufficient.

4. Under these circumstances, Government are pleased to sanction the grant of an advance of Rs. 20,000 being made for the Agricultural Bank referred to above, and authorize the Deputy Commissioner to place the said amount for the purpose in the Taluk Treasury. Interest must be recovered from the Bank half-yearly up to 30th June and 31st December of each year at 4 per cent per annum on the sums actually borrowed by the Bank.

5. The applicants propose to regulate the grant of loans by the Bank, not according to the limit laid down in para 6 of Government Proceedings No. 5038-47—Fl. 274, dated the 2nd December 1895, but according to a scale under which a loan of Rs. 2,250 is admissible under classes i, ii and iii, with a proviso that no member shall at any time be indebted to the Bank in a larger sum than Rs. 2,500 including loans of all descriptions granted both to himself and to other members on his security. As the Inspector supports this proposal on the ground that the existing liability of some of the members exceeds Rs. 1,000, and that more funds are required for the improvement and maintenance of the garden lands which he has inspected, the Government are pleased to authorize the grant of loans under classes i, ii and iii up to Rs. 2,250 as a special case.

6. The Memorandum and Articles of Association will be returned to the Deputy Commissioner with a request that he will take steps to get the same duly registered. The existing encumbrances must all be discharged and the documents, &c., connected therewith taken back and properly secured.

C. SREENIVASIENGAR,
Secy. to Govt., Gen. & Rev. Depts.

To—The Deputy Commissioner, Kadur District, with Articles of Association in duplicate and other papers.
The Registrar, Joint Stock Companies in Mysore.
The Comptroller, Mysore Government.
The Inspector, Agricultural Banks in Mysore.

Bgd.—M.A.R.

15

(4)

1897-98

GOVERNMENT OF MYSORE

FINANCIAL

PROCEEDINGS

Dated 5th March 1898

No. 8219-22 / R. F. 68-97

Sanctioning, with certain remarks, an advance of Rs. 20,000 for the Agricultural Bank proposed to be established at Sakrepatna, Kadur taluk.

M.G.C.P.B.—9-4-98—200

G 1363.

1904 F

From L. Narayana Rao, Esquire
Deputy Commissioner
Kadur District

To L. Anantasami Rao Esq. B.A.
Offg: Secretary to Govt of
Mysore. Gen & Rev:
Departments

Dated 8th

Despatched 18th February 1904

Received

General No. 400
No.

Enclosure No. 1

Submitting a copy of report of inspection of the Agri-Culturalb Bank at Sakrepatna in December last by the 1st Assistant Commissioner Mr. D'Souza with his remarks thereon.

Rec'd
18. 2 04

Please put up the file connected with the Sakrepatna Bank
20/2/04

RA 68 of 97-98 put up
Rec'd 29/2
MDA 25/.

17

Deputy Commissioner's Office
Kadur District.

No

The 8th February, 1904.

From

M. Narain Rao Esqure
Deputy Commissioner
Kadur District

To.

L. Anantasami Rao Esqure
Offg Secretary to the Govt of
Mysore. (General & Rev: Depttts:)

Sir,

I have the honor to submit herewith Copy of the report of inspection made by the 1st Assistant Commissioner, Mr D'Souza, of the Agricultural Bank at Sakrepatna in December last with my remarks thereon.

I have the honor to be,

Sir,

your most obedient servant.

M Narain Rao

Deputy Commissioner
Kadur Dist.

MNR

No 41.

B

Memo

Report on the 2d Inspection of the Agricultural Bank at Sakrepatna for the year 1903-1904.

———"———

1. Date of present inspection.

1. The Bank was inspected on the 15th December 1903, the date of the last inspection being the 9th August, 903

2. Whether there is a duly registered suitable Bank office where members and depositors could call and have their business attended to; and if there had been any change in the office since last inspection, why necessitated and whether duly registered.

2. Yes. One of the rooms in the Presidents house. As directed in the last inspection the Registers etc have been removed to the Bank Premises.

3. Whether any dates and hours are fixed for transaction of business, whether business is regularly transacted at those dates and hours; if no appointment is thus made, what arrangements exist for the due transaction of business when members and depositors call; and on how many days in a month is business done.

3. No fixed members meet as occasion arises. They have met only once i.e on the 28th October, 1903 since last inspection.

4. Whether the Bank's registers, accounts, title-deeds, documents, cash balance and other property are kept in the Bank premises in the custody of the President and Agent; and if any of them are not so kept, where and how they are kept, under what authority and upon whose responsibility.

4. The Registers, accounts and documents, cash balance and other property are all kept in the Bank Premises, in the custody of the President.

5. There was no change in the residence of Bank members since last inspection nor was business extended to any new village.

5. Whether the villages to which the members belong are sufficiently near (within a radius of five miles) to the Bank house, and duly registered; at what distance do the majority of members, the directors and office-bearers reside; and if business was extended to any new village, whether there was proper sanction for it.

6. The Bank at the time of inspection consisted of 25 members including the son-in-law (Sriranga Bhatta) of the deceased member Ramaswami Bhatta referred to in the last inspection report. This member was duly elected in the meeting of the members held on 28th July, 1903. As directed in the last inspection report Venkata Rao and Rama Krishna Shastry whose resignation, as observed in the last report was accepted by the members on their own responsibility are still borne on the lists of the Bank. They have not received any money from the Bank nor have they executed any documents in favour of the Bank. The Bank has not, as directed in the last report,

6. As regards members, whether and to what extent there has been any increase or decrease in their number since formation of the Bank or last inspection; what was the decrease, if any, due to; were the new members duly qualified, duly elected; and registered; in case of members belonging to a joint Hindu family or otherwise possessing a qualified or limited status, whether there is proper representation of interests involved; whether in the practical working, the Bank has gained or lost in strength, energy and usefulness since formation or last inspection.

admitted?

Ins./M.N.

obtained orders as to whether their resignation may be accepted and if so, from what date and what the effect of that resignation will be. At present there are six such members, who have not obtained any loan from the Bank nor executed any documents making any of their properties liable. Their names are simply borne on the registers and as they are unwilling to bind themselves in any way towards the Bank, it has to be decided whether it is necessary to continue them as members and they could be made liable in respect of the Bank's transactions in any way, as they have not made themselves parties to any of the Bank's transactions beyond applying for a loan which was not granted. Shanbog Puttannaya's brother's son, Naranappa who is a co-sharer with him has executed a Mutchalika, ratifying all acts done by his uncle as member of the Bank. But this

mutchalika

Note:- In respect of these members, the attention of the Bank has been drawn to paras 60 and 62 of the articles of Association, as directed in Government Pro: No R 1577 d/14th Dec., 1903. R.F.88-9)

Ind/ M.N.
8.2.04.

Mutchalika is not on a stamped paper. Shanbag Puttanmaiya himself has not received any loan and has not executed any document. His properties are entered in the Register as he is one of those, who started the Bank and the President states that it was not considered necessary to get any stamped document from him. As directed during the last inspection 6 of the members who had not the Khate of the lands and gardens rendered liable to the Bank in their names have got them duly transferred.

The Mutchalika should be engrossed on stamped paper. The President of the Bank has been requested to see to this.

Sd/ M. N.
8.2.04.

7. A list of all the lands of members is now maintained. There are no noticeable instances of new acquisition or improvement since last inspection nor of transfer, relinquishment or deterioration. As both the Patel and the Shanbog are members of the Bank, alienations and relinquishments are likely to

Come

7. As regards credit, solvency and resources of members, whether a complete and accurate list of the lands of members is maintained; if not, how is the omission explained; to what extent have fluctuations in the number of members affected the united credit of the Bank. Any notable instances of new acquisition or improvement since formation of the Bank or last inspection; any notable instances of sale or other kind of transfer, relinquishment or deterioration; how these have affected the solvency and resources of the members concerned and of the Association as a whole; what guarantee, if any, has the Bank obtained or the rules of the General Assembly afford against alienations and relinquishments prejudicial to the Bank's interests; compare the *net* amount of the value of property as per latest authenticated list with the amount of liabilities of the Bank at date of inspection.

come to their notice. The lands and gardens made liable to the Bank are valued at Rs 40,750/- and the amount due by the Bank to Government is Rs 13,930/- exclusive of interest and as they do not seem to have decreased much in value, since the time of valuation, the security is sufficient. Owing however to the fact that the Bank's operations are at present confined merely to the recovery of the monies advanced and it has no capital, some difficulty is experienced by the members in getting money for up-keep. In the majority of cases, however, this has not resulted in any great deteriora-tion of the lands and gardens

8. As regards Bank's funds, note whether the limit fixed at formation had been increased or decreased under due authority; whether the Bank had in its dealings unauthorizedly exceeded the limit and if so, how is this explained or proposed to be rectified. Classify the Bank's funds at date of inspection with reference to the sources from which they were derived, *viz.*—entrance fee, contributions, loans from Government, if any, loans from others, deposits from members (1) in cash and (2) in grain, deposits from outsiders, debentures etc. Note whether the Bank's credit is well established and sustained, or steadily growing; if otherwise, to what extent such result is due to any action or omission of the Bank's authorities and what other causes are likely to have contributed to it; whether the lessons of co-operation, mutual help and thrift are understood and practised, if not, inculcate them to as large a body of members and outsiders as can be gathered.

8. As stated in the last para the Bank practically does no business beyond recovering the instalments and interest due. It has no funds of its own and does not attract any deposits

deposits and no current account is maintained in the Treasury.

9. As stated in the last inspection report Rs 680/- had to be paid to Government on account of instalments and Rs 155-14-3 towards interest upto the end of June, 1903. Nothing has been paid out of this up to this time. As pointed out in the last inspection report, the members do not pay until the end of the calendar year the amounts due by them to the Bank and thus the Bank is always in arrears. Rs 2762-8-11 are due by the members on account of principal and interest as per list appended with the last Inspection Report. The members do not pay their instalments as they fall due and as the principal defaulters are the office bearers, sufficient pressure is not brought to bear upon the defaulters to pay off

9. As regards Government loan, note whether the terms fixed for repayment are duly acted up to or there has been gross delay, dilatoriness or neglect; the amount outstanding against the Bank at date of inspection; whether the loan may be continued subject to the terms allowed for repayment or whether in your opinion it is advisable to withdraw the loan under the provisions of Sections 74 and 75 of the Articles of Association; and state reasons for such opinion briefly and concisely.

their arrears. The President and the members state that they will liquidate everything by the end of this month and assign their inability to sell their areca as the principal cause of their default. I cannot believe this as areca during the last 3 months fetched very good prices. They have all been warned that unless the entire balance due up to the end of June, 1903 is not paid up before the end of the month, no further excuses for delay will be accepted and a recommendation will be made for the enforcement of the provisions of Sec: 74 and 75 of the Articles of Association. There is no actual necessity, however for the enforcement of these provisions as the properties hypothecated to the Bank are in a good condition and more than sufficient to cover the liabilities of the Bank. A list* will be submitted by the end of this month

Shewing

* not yet received.
Has been called for.
Ind/ M.N.
8.2.04

shewing the amount due by each member and the amount he has paid and the balance outstanding against him to see if the members have carried out the above order

10. See remarks in previous reports, there having been no fresh loans or deposits since last inspection.

10. As regards loans and deposits from others, note the terms allowed, generally in regard to rate of, interest and time for repayment; whether the sanction of the General Assembly had been obtained to the rates of interest and other essential terms; whether the obligations incurred were, in any way, in excess of the Bank's requirements or of what local conditions of credit, prudential considerations and the progress and well-being of the Bank justified; whether the Bank authorities are alive to the importance of placing themselves in a position to discharge the obligations incurred, punctually, completely and satisfactorily.

11. Cash Book was compared with other registers, documents challans, receipts and cheques. Entries were found correct. All disbursements are duly authorised and are supported by vouchers and charges incurred under Establishment and contingencies real and necessary. The Bank mut-saddi Naranappa is the brother of Shanbag Puttannayya referred to in the answer to Query No 6. He is not a member of the Bank in his own name

11. As regards the Bank's transactions, compare the Cash Book with Ledgers, Receipts, Chalans, Cheques, Treasury Pass Book, Contingent and Establishment Registers, Documents etc. Is it posted up from actual transactions as they occur and in the order of their occurrence, and are entries made so clear as to be easily intelligible and traceable through the other accounts? If discrepancies and omissions due to mere oversight or ignorance are found, have them rectified in a business-like manner as far as practicable and note here such as are considered to be grave. In the case of corrections, see if they are initialled by the President and Agent, and if any of the corrections are not satisfactory, note briefly your objections.

See if disbursements were duly authorised and are supported by proper vouchers.

Were the charges incurred under Establishment and Contingencies real or fictitious either wholly or in part, and if real, necessary? Is the rule about members rendering gratuitous service duly respected.

though his uncle with whom he is undivided is one. As the Bank requires a Mutsaddi and it is stated that it is difficult to get a competent one here. We may be allowed to continue. He is paid Rs 7/- a month.

Note date of the last entry in the Cash Book, and the cash balance on that date according to the Cash Book and as forthcoming in the Bank's chest. Are instances frequent of the transgression of the limit fixed in the Articles of Association for cash balance in the hands of the Board of Directors, and how are they explained? Are large sums kept in hand for any length of time without being utilized? Is the facility afforded for keeping current account with the Treasury utilised as far as possible for minimising cash balances, if not, how is the omission explained? Has there been any complaint or ground for the belief or suspicion that needlessly large balances are retained by the Agent or President.

The date of the last entry in the Cash Book is 2nd December/[illegible] and the Cash balance on that date is Rs 102-8-4. This amount was found in the Cash chest in the President's custody. The Board of Directors have been authorised under para 40 of the Articles of Association to have in their hands cash upto Rs 300/- and this limit is not exceeded. There is no current account in the Treasury. The general results of the Bank's transactions from the date of last inspection upto date are as follows:-

Note the general results of the Bank's cash transactions up to date of inspection in the appended form and see if the Cash Balance Sheet last submitted by the Bank is correct in all particulars.

Receipts		Expenditure.	
From Treasury	0-0-0	Govt loan re-paid	0-0-0
" Depositors	0-0-0	Depositors principal repaid	0-0-0
Entrance fee	0-0-0	members as Loan	5-11-5
Interest	29-14-11	Govt on account of interest	0-0-0
Loans repaid	47-12-0	Depositors	0-0-0
other items	0-0-0	Printing charges	2-4-0
		Establishment	35-0-0
		Tappal and Registration	2-5-0
Total	77-10-11	Total	45-4-5
Balance on hand on date of last inspection	70-1-10	Balance on hand on date of last inspection	102-8-4
Total	147-12-9	Total	147-12-9.

RECEIPTS.	Rs. a. p.	EXPENDITURE.	Rs. a. p.
From Treasury ...		To Treasury Current acc... principal repaid .. Depositors ..	
„ Depositors...			
Entrance fee ...		„ Members, loan.	
Interest and penalty ...		„ Govt. on acct. of interest ... Depositors,,...	
Loans repaid ...			
Other items ..		„ Printing charges ...	
		„ Establishment.	
		„ Contingencies	
		„ Other charges.	
Total		Total	

12. As no loans have been granted since last inspection there is nothing to add to what has already been stated in previous reports.

13. Vide above remarks.

14. According to the list appended to the last report Rs 2351-5-7 and Rs 411-3-4 on account of interest had to be recovered from the members But of this amount only

12. As regards loans to members, note if, in addition to the restrictions and limitations prescribed in Section 42 of the Articles of Association, the General Assembly has prescribed any limit with reference to the value of the landed property held by applicants for loan or offered as security by them; whether loans have been granted to any in contravention of these rules, members of joint Hindu family being taken as representing one account; how such transgressions are explained or proposed to be rectified; had any loans been granted to other than members in need or had any deserving applicants been denied to favor particular individuals, and had such instances produced feelings of distrust and discontent and impaired the cordiality and unanimity expected to exist among the body of members; are objects for which loans are applied for, explained with sufficient clearness in the darkhasts; is the application and use made of loans watched by the Board of Directors or other authority; have there been any instances of non-application or misuse, especially of sums obtained having been used by any member for purposes of trading or private banking or money lending.

Note the sums obtained and used for the several purposes indicated in the appended form.

Rs 77-10-11. have been recovered. Out of this Srinivasiengar was paid Rs 36-11-9, Serra Naika Rs 32-8-1, Kempanna Rs 8-8-11. of these only one is an office bearer. Thus it is evident that no interest whatever was taken in collecting the arrears and as default is the rule rather than the exception, Some stringent measures are necessary to awaken the members, specially the Office bearers to a sense of their responsibilities.

The President has been called upon to collect the arrears due by the members and pay up the instalments due to Government.

Sd/ M.N.
8.2.04.

15. As regards surplus, Note what this amounts to up to date of inspection, taking into account the arrears remaining unrecovered of interest and other items of income; how much of this has been realized; what amount has been carried to the Reserve Fund by resolution of the General Assembly; how the Reserve Fund is invested; how the remaining surplus is used or secured; whether any and what special charges tended to reduce the surplus; and if the Bank has other assets what they are and their value.

15. The only amount that the Bank has to its credit is the Cash in hand of Rs. 02-8-4 as stated above and thus it has no surplus and no re-serve fund and unless the arrears due by the members are recovered the Bank will not be able to meet even the demands of Government.

16. As regards meetings of General Assembly, note whether the rules for convening the, the conduct of business therein and the recording and registering of resolutions are understood and duly given effect to; if not, explain the same; the office bearers and others present; note whether meetings had been held regularly every half-year; whether any and what number of extraordinary meetings had been held since last inspection; whether notices had been duly given to members; whether members were generally taking interest in the Bank affairs or whether there was party feeling; whether special resolutions had been duly confirmed and registered; whether any resolutions were inconsistent with the Articles of Association or other provisions of law.

29

16 Vide remarks in previous reports. There was one meeting of the General Assembly since last inspection on 28-10-1903. The only resolution in that meeting is that the appli-cation of one Narasimayya who had taken a loan of Rs 1000/- from the Bank of which he has already paid Rs 200/-, that he may be absolved from all lia-bilities contracted by him either towards the Govern-ment or the Bank as a member of the Bank on payment of whatever balance that is due by him may be accepted as the security furnished by the Bank is otherwise sufficient.

This resolution has been submitted to the Deputy Com-missioner for the necessary sanction as it was pointed out in the last meeting that the members themselves had no pow-er to discharge any one from

There is no objection to the Bank receiving the balance due by Narasimhaya and releasing his property from the mortgage to which it is at present subject.

2nd/ M.N.

8.2.04

liabilities that he may have incurred by any resolution of theirs. I do not think that it will be expedient to release Narasimhayya from his joint liability as the strength of the Bank and its solvency will depend upon the existence of such members.

17. As regards Board of Directors, note whether and how often they meet for transaction of business; whether their resolutions are duly recorded in a book; if they do not meet, what arrangements exist for the discharge of their duties and functions and what record exists of their proceedings; whether any and which of them have been taking special interest in and working with zeal for the progress of the institution.

17. There has been no meeting of the Board of Directors since last meeting.

18. As regards supervision, whether any and what arrangements the General Assembly had made for control and audit, are they effective and satisfactory.

18. Vide remarks in previous reports.

19. As regards registers and accounts, see appended list, note therein which of them is kept and how.

19. List of Registers appended.

I. Register of members
II. „ of applications for loan
III. Cash book
IV. Ledger
V. Minute book
VI. Register of balance sheets
VII. Property register
VIII. Register of monthly cash abstracts
IX. Register of bonds
X Receipts by Bank
XI. Depositors' ledger
XII. Treasury pass book
XIII. Chalan book
XIV. Cheque book
XV. Receipts by members to Bank
XVI. Register of Directors
XVII. Register of Directors' Proceedings
XVIII. Register of appropriation of loans
XIX. „ of contingent expenses
XX. „ of disbursement of pay to establishment
XXI. „ of From letters
XXII. „ of To letters
XXIII. Visitors' book

20. The accounts of the Bank have to be made up by the end of this month and I therefore reserve any observations I may have to make with regard to them until they are received. The position of the Bank is in Statu quo and it is therefore unnecessary to recapitulate

merely

merely what has been painted in previous reports that though, as far as the Government money is concerned, there is not much risk; the Bank has not succeeded in attaining its object and has merely served the purpose of putting a certain amount of money into the hands of the members of the Bank, which has been spent either in discharging other debts or for working the gardens and fields and has not become a nucleus so as to provide a constantly increasing fund to be devoted to the mutual benefit of all the members.

Chikmagalur
26.12.03.

sd/ P. G. D'Souza
First Assistant Comm
Kadur District

Copy

Deputy Commissioner
Kadur District

List of Registers maintained.

No	Name of Registers	Remarks.
1	Register of members.	Neatly written
2.	Application for loans	Well kept
3.	Cash Book	Posted daily
4	Ledger	Correctly written
5	Minute Book	Well kept
6	Register of balance sheets	In fly sheets regularly filed.
7	Property Register	Not complete.
8	Cash monthly abstract.	Correctly kept
9	Register of bonds	Maintained
10	Receipt by bank to members	— do —
11	Depositors Ledger	— do —
12	Treasury Pass Book	— do —
13	Challan Book	— do —
14	Cheque Book	— do —
15	Receipts by members to Bank	— do —
16	Register of Directors	— do —
17	— Do — of Proceedings	— do —
18	Appropriation of Loans	
19	Contingent expenses	not Kept
20	Disbursement of Pay to Establishment.	
21	Register of From Letters.	Kept
22	— Do — To Letters	Kept
23	Visitors Book.	Kept.

Chikmagalur.
26.12.03.

Copy

sd/ P. G. D'Souza
1st Asst Commr

Asst Commissioner

Mysore Govt. Gen. & Rev. Secretariat,
Revenue Branch.

(Serial) 14

Office Draft 33

Progs. of the Govt. of H. H. the Maharaja of Mysore.

File No. (if any) and its date— 11 audit 2-97

Read: 4

Report on the Inspection of the Agricultural Bank at Lakkepatna in the Kadur Taluk, made on the 15th December 1903 by Mr. P. G. D'Souza, Assistant Commissioner, received with the Kadur Dy. Commissioner's letter No. 400 of the Order: 8th February 1904

Order:- R. 3507 D 18/5/1904
R-768-1897. 18

The Dy. Commissioner's attention is drawn to the following observations

1. The table in para 11 of the report is intended to exhibit completely the results of the Banks' cash transactions from the date of its commencement to the date of inspection, and not those of the intervening period

Submitted to the Dewan through the 2nd Mr
30/4/04

Received on 2/5/1904
Submitted to the Dewan Sahib for approval
2-5-1904

relandum 17565 6.v.04.

18558 11.v.04

13/5/04

23-5-1904

copied 17/6

from the date
of the previous inspection only
as shown in the report now
read. 4

2. The deposits lodged in the Bank by its members to the extent of Rs. 1655 out of the loans ~~[illegible]~~ borrowed from it were owing to withdrawals reduced to Rs. 551-11-1 by the end of May 1903; and there has been no accretion to it since. The instructions conveyed in G.O. No. 7307-8 / R.7.68-97. of the 11th April 1900 about members laying by their savings as deposits, have apparently been overlooked.

3 The amount remaining unpaid out of the instalment due to Govt. for the year 1902-03 is 680 up to the date of the above inspection. ~~[illegible]~~ This should be recovered forthwith if it has not been already paid up, and the fact reported

† The Bank was in arrears in respect of interest due to Govt.

up to End of June 1903 to the Extent
of Rs. 155-14-3. No portion of this 35
Sum was remitted to the Treasury
Even till the End of 15th December 1903,
though there was a Cash balance of
Rs. 102-8-4 in the hands of the Board
of Directors on that date. The attention
of the Bank should be drawn to
the marginally noted Govt. Orders,
and it should be made to ~~observe~~ be
~~strict~~ punctual in the payment
of interest due to Govt. A report
should be submitted early as to whether
the Bank has paid or not, the said
arrears of Rs. 155-14-0 and the full
amount of interest due for the half
year End~~ed~~ December 1903.

No. 3936-44/H 386 d/2-12-98
R. 1639/48 d/1-10-01.

5) 1 No fewer than 18 out of the 25 members of the
Bank are defaulters, the arrears
of principal and interest outstand-
-ing against them on the 15th December
1903 being Rs. 2303-9-7 and Rs. 381-4
respectively. These members besides

individually ~~[illegible]~~ disabled to vote at the Bank meetings till the arrears are cleared (vide para 23 of the Articles of Association) have collectively driven the Bank to commit default in payment of Govt. dues. The sooner this state of affairs is remedied the better. Otherwise, Govt. would be constrained to recall its loan (vide para 75 of the Articles of Association).

6. The statement of the Inspecting Officer that the Bank has no surplus is incorrect. The actual surplus up to date of inspection should be calculated in the manner laid down in Statement No. VII forming an appendix to the Annual Report.

7 ~~[illegible]~~ The resolution of 28th October 1903 of the General Assembly of the Bank framing Rs. 200 one of its old members on full payment by him of all the balance due, freedom from all liability contracted by him towards Govt. or the Bank is contrary to paras 39 and 62 of the Articles of

Association. The Assembly was not competent to grant the absolution contemplated. This should be pointed out to the Bank.

8. From the above observations, it is clear that the affairs of the Bank are not being managed satisfactorily. All members should be warned that if decided progress be not shown within a reasonable time, Govt. would take steps to withdraw the help given by it to the Bank.

13/5/04

14/5/04 Secretary

To

The Dy. Commissioner
Kadur District